It is further resolved that the notice of the resolution should be published in the official gazette as well as at the conspicuous places as mentioned below as required under section 95 of the M. M. Act read with Rule 3 of the M. M Taxation Rules.

1. Municipal Office.
2. Municipal Library.
3. Municipal Maternity Hospital
4. Municipal Dispensary.
5. Municipal High School
6. Agricultural Produce Market Offi
7. Taluka Office,
8. T. D Board
9. Merchant Association

"Schedule "A" of Octroi".

Schedule II under section 94 of M. M. A

M. B. LINGE GOWDA,
Administrator,
Town Municipal Council.

Subject.—Levy of revised rates of octroi.

Resolution of the Municipality No 50 dated 15th July 1972.

Town Municipal Council, in its resolution No. 278 dated 15th February 1972 passed a resolution to revise the octroi rates as per schedule II under section 94 of the M.M. Act. Notificationof the resolution in the psescribed form was published at the conspicuous places of the town in the date show against them.

	Name of the Office		Date of Publicatior
1	Municipality		29—2—1972
2	Municipal Library	...	29—2—1972
3	M. M. Hospital	...	1—3—1972
4	Municipal Dispensary	...	29—2—1972
5	Municipal High School	...	29—2—1972
6	A.P.M.C. Office	...	29—2—1972
7	T. D. Board		1—3—1972
8	Taluka Office		1—3—1972
9	Merchant Association,		18—3—1972

The Notification was also published in the official Gazette on page No 145 dated 18th May ....

Resolution passed by the Merchant Association objecting to the revision of octroi rates has been received in he office. Objections have also been received collectively by local cloth merchants.

Servasri : (1) F. H. Suvalikerimath, (2) B. K. Gupta, (3) B. F. Byadgi (4) P. G. Gupta have put in pplications raising objection to the revision of octroi.

Resolution of the Merchants Association contains the following objections.

1 Octroi rates are 2 to 8 times higher than the present rates which will effect the market.

2 In case the octroi rates are raised at once, rates of the commodities or the goods will be automaticalls aised. If the rates of such goods are higher than the nearest markets, the trade will be diverted to other markets aturalay. The affect of the market will also affect the income of the municipality.

The President, Merchant Association has suggested to increase the rates of octroi gradually He has suggested to ower the rates of certain goods. He has also proposed to exempt all hand loom goods and products, cotton yarn aw silk and artificially silk from levy of octroi rates.

The cloth Merchants have put in an application collectively raising objections that if the rates are raised ue to the increase of octroi rates, the trade will be diverted to other market, which indirectly effect the market. he merchants have also suggested to exempt handloom goods from levy of octroi.

The remalnig four applications from merchants are vague and ambiguous except that they contend that the ncrease in octroi rates will be imposed on a common man.

As contemplated by the Merchants Association, the octroi rates will not be increased by 2 to 8 times y enforcing revised rates of octroi.

Rates of commodities or goods consumed daily will not be increased by way of revision of octroi. There will not be marked variation in the octroi rates to be imposed by the municipality on daily consumable commodities. he same can be verified from the comparative statement as below :—

Name of the goods	Existing rates per 10 Kg.	Revised rate per 10 Kg.
1. Grains	0—5/6 paise	0—01 Paisa
	0—13/7 ,,	0—01 ,,
Wheat flour, Soji	0—02 ,,	0—03 ,,
Cement	0—12 ,,	0—05 ,,
Ground nut	0—15/7 ,,	0—02 ,,
Sugar	0—19 ,,	0—20 ,,
Jaggary	0—08 ,,	0—10 ,,
Edible oil	0—31 ,,	0—50 ,,
Medicines	0—16/10 ,,	0—02 ,,

The octroi rates will not be increased 2 to 8 times except in one or two cases and there would be no increase of octroi on daily consumable goods. Objections appear to be hypothetical and baseless, Moreover the existing rates are to low as compared with those of adjoining municipalities.

As regards exemption of octroi on hand loom goods, cotton yarn, raw silk and artificial silk, the municipality has passed a resolution to exempt (1) all articles or goods which are exempted from levy of octroi under the provisions of M.M Act or the rules framed thereunder or notifications issued by Govt. (2) All articles exempted from octroi by the Govt. by specific orders.

The Govt have exempted (1) any cloth woven on hand looms in India from cotton, silk or woolen, yarn hand spun in India or from a mixture of any two or all of such yarn brought into municipality for consumption, use or sale therein (2) The documentary film on the life of Mahatma Gandhi called "Mahatma" produced by the Gandhi National Memorial Fund Committee (3) Articles brought within the Municipal limits for personal or house hold use of U. S. A. I. D. personnel.

The Government orders issued would be mandatory and all such articles would be naturally exempted from the levy of octroi in all the municipalities through out the State.

As such the question now does not arise to exempt yarn and hand loom goods in the particular Municipality which may effect the trade or Industry of other Municipalities which have not exempted yarn or hand loom goods from payment of octroi.

The Govt. under their letter No. HMA 24 TAO 70 dated 28th February 1970 have instructed the Municipality to levy all the taxes under Section 94 of M. M. Act. The Govt. have also instructed that section 141 of M M. Act would be revoked in respect of such municipalities which have not taken action to impose the taxes under section 94 of the M. M. Act.

It is evident that almost all the Municipalities will revise the rates of octroi under Section 94 of the M. M. Act and there would be no variation of octroi in the different municipalities. Moreover, if the rates are too low as compared with other municipalities, other markets will be affected. It has also been visualised that the market was not at all affected during the period of 10 months for which period the revised rates were enforced. Thus neither the income of the municipality nor the market will be affected by revising the octroi rates.

Time for receiving objections is expired on 19th June 1972. The owners of hand loom Industry have put in an application raising objection on 23rd June 1972 Cognigence of the application cannot be taken since the due date to receive such objections expired on 19th June 1972.

Contention of the hand loom owners is that the hand loom Industry is to face the competition with mill products that nearly fifty percent of looms are about to be closed on account of general rise in price of yarn, silk and colour and that any additional rise on product of hand looms due to the levy of octori will adversely affect on the Industry so that the whole Industry may colapse on account of non export of goods to other markets. They have concluded that the life of weavers will be put into jeopardy if the Industry is closed.

Assuming that the application was received before the due date, and all the objections were taken into consideration the extra expenditure to be incurred on each Sari would be ten paise by levy of octroi on yarn which is negligible and which will not affect the Industry. Moreover if the octroi is exempted on yarn and silk, in Ranebennur Town only, this would affect other markets wherein octroi on yarn and silk is not exempted.

The Municipality has so far raised a loan to the tune of 60,00,000 for the execution of Water Supply Scheme, Surface Drianage Scheme and under ground Drianage Scheme. Total liability of yearly repayment of loan including principal and interest would be Rs. 6,60,000.

Such being the case it is inevitable to levy the maximum rates of octroi which is the main source of income of the municipality without which the Municipality cannot augment the income of the Municipality so as to make both ends meet.

It is therefore, hereby resolved that the proposal of the revision of octroi rates should be moved to the Government for obtaining necessary sanction without any change in the resolution No. 278 dated 16th February 1972.

M. B. LINGE GOWDA,
Administrator, T.M.C., Ranebennur.

3—3 5